

WINDFALL OILS & MINES LIMITED

A N N U A L R E P O R T

FOR THE YEAR ENDED DECEMBER 31

1969

WINDFALL OILS & MINES LIMITED

Thirteenth Floor, 25 Adelaide Street West
TORONTO 105, ONTARIO

REPORT OF THE DIRECTORS

TO THE SHAREHOLDERS

The balance sheet as at December 31, 1969, with auditors' report and supporting statements form part of this annual report of Windfall Oils & Mines Limited for the year then ended.

INVESTMENTS

There were no changes in the Company's investment portfolio during the year.

PROPERTIES

Clarendon Township, Frontenac County, Ontario

During the season a scintillometer reconnaissance survey was carried out on an uranium prospect consisting of forty one (41) mining claims held under option. This work, conducted by Cana Exploration Consultants, obtained some low values which were followed up by ground prospecting. When it was decided that the uranium values were too low, the option was allowed to lapse. Arrangements are not being made, unless further developments occur shortly, to retain an additional thirty (30) mining claims, the staking of which adjacent to those under option had been arranged for by the Company, although they have not been thoroughly prospected.

Other Ontario Properties

The Company has retained all its patented ground and interests in Echo and McAree Township in the Sioux Lookout area and Wark and Prosser Townships in the Timmins area, without further exploration work during the past year.

Nevada

Some negotiations have been conducted with a view to development by a large American company.

Other

Although a number of mineral prospects were submitted to the Company during the year, none appeared to have sufficient merit to warrant securing an option or other type of deal with respect to them.

FUTURE POLICY

The Company's policy of seeking to acquire, by staking or option, interests in promising prospects will continue.

Respectfully submitted,

On behalf of the Board,

Toronto, Ontario,
February 2, 1970.

G. A. MacMILLAN,
President.

WINDFALL OILS & MINES LIMITED

(Incorporated under the laws of Ontario)

BALANCE SHEET AS AT 31st. DECEMBER, 1969 (with comparative figures for 1968)

	ASSETS	1969	1968
CURRENT:			
Cash in banks and on deposit		\$ 88,960.19	\$ 110,023.86
Investments at cost (quoted market 1969 \$14,500, 1968 \$15,150)		16,250.00	16,250.00
Miscellaneous accounts receivable and field advances		480.00	480.00
		<u>105,690.19</u>	<u>126,753.86</u>
EQUIPMENT AT COST		<u>4,717.21</u>	<u>4,717.21</u>
MINING CLAIMS AND LEASES:			
Townships of Echo and McAre, District of Kenora, Ontario		100,000.00	100,000.00
Townships of Wark and Prosser, District of Cochrane, Ontario		200,000.00	200,000.00
Lyon County, State of Nevada, U.S.A.		3,240.00	3,240.00
		<u>303,240.00</u>	<u>303,240.00</u>
DEFERRED EXPENDITURE AS PER ATTACHED STATEMENT:			
General exploration, development, and administrative expenditure		415,345.08	407,735.32
Exploration and development of claims held in Townships of Wark and Prosser, District of Cochrane, Ontario		171,350.86	169,121.74
Exploration and development of claims held in Township of Clarendon, Ontario		2,304.85	
		<u>589,000.79</u>	<u>576,857.06</u>
		<u>\$1,002,648.19</u>	<u>\$1,011,568.13</u>
	LIABILITIES		
		1969	1968
CURRENT:			
Accounts payable and accrued charges		\$ 1,350.00	\$ 3,000.00
CAPITAL:			
Authorized			
5,000,000 shares of \$1 each	\$5,000,000.00	<u>\$5,000,000.00</u>	
Issued			
3,800,000 shares		3,800,000.00	3,800,000.00
Less discount thereon		1,981,244.40	1,981,244.40
		<u>1,818,755.60</u>	<u>1,818,755.60</u>
DEDUCT:			
Mining properties and expenditure thereon, interests, etc. written off as having no value Note 2			
Balance at the beginning of the year	810,187.47	809,240.03	
Written off during the year	7,269.94	947.44	
Balance at the close of the year	<u>817,457.41</u>	<u>810,187.47</u>	
	<u>1,001,298.19</u>		<u>1,008,568.13</u>
	<u>\$1,002,648.19</u>		<u>\$1,011,568.13</u>

The attached notes form an integral part of the financial statements

Approved on behalf of the Board:

GEORGE A. MacMILLAN, Director.
W. F. FARROW, Director.

WINDFALL OILS & MINES LIMITED

STATEMENT OF EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENDITURE

for the year ended 31st. December, 1969

(with comparative figures for 1968)

	1969	1968
GENERAL EXPLORATION AND DEVELOPMENT:		
Acreage and other taxes	\$ 541.35	\$ 230.17
Field expense	415.89	569.03
General expense	396.86	312.74
	<u>1,354.10</u>	<u>1,111.94</u>
ADMINISTRATIVE:		
Corporate expense	2,356.38	2,741.53
Legal	6,005.11	1,354.45
Directors' fees	425.00	450.00
Head office	4,111.65	3,707.01
	<u>12,898.14</u>	<u>8,252.99</u>
Less interest earned	6,642.48	7,816.17
	<u>6,255.66</u>	<u>436.82</u>
	7,609.76	1,548.76
Balance forward from previous year	407,735.32	406,186.56
CARRIED TO BALANCE SHEET	<u>\$415,345.08</u>	<u>\$407,735.32</u>
Exploration and Development of Properties in Townships of Wark and Prosser, District of Cochrane, Ontario		
Drilling		\$ 8,124.85
Sampling and assaying		14.90
Geological and engineering	\$ 700.00	4,594.30
Travel, lodging, etc.	1,243.85	1,356.85
General	285.27	232.37
	<u>2,229.12</u>	<u>14,323.27</u>
Balance forward from previous year	169,121.74	154,798.47
CARRIED TO BALANCE SHEET	<u>\$171,350.86</u>	<u>\$169,121.74</u>
Exploration and Development of Properties in Township of Clarendon, Ontario — Note 2		
Cost of staking 30 claims	\$ 2,250.00	
General	54.85	
CARRIED TO BALANCE SHEET	<u>\$ 2,304.85</u>	

WINDFALL OILS & MINES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

for the year ended 31st. December, 1969

(with comparative figures for 1968)

	1969	1968
EXPENDITURES DURING YEAR:		
Administrative	\$ 12,898.14	\$ 8,252.99
Exploration and development		
Townships of Wark and Prosser	2,229.12	14,323.27
Cost of staking claims etc., Township of Clarendon	2,304.85	
General	1,354.10	1,111.94
Property acquired and written off — Note 2	7,269.94	
	26,056.15	23,688.20
Deduct funds received		
Interest	6,642.48	7,816.17
Net expenditure for year	19,413.67	15,872.03
Working capital at beginning of year	123,753.86	139,625.89
Working capital at close of year	104,340.19	123,753.86
Decrease in working capital during year	\$ 19,413.67	\$ 15,872.03

NOTES ON FINANCIAL STATEMENTS

as at 31st. December, 1969

- During 1967 an exploration option on ground in Prosser Township was entered into which, if fully exercised, would require payments totalling \$20,000.00 and, under certain conditions, the issue to the optioners of a total of 300,000 shares of a company which may be formed having an authorized capital of 3,000,000 shares. To date \$2,000.00 has been paid of which \$1,600.00 is now held in escrow pending deposit of good title to the ground by the optioners. There was no change in these circumstances during 1969.
- During the year an option on 41 claims in Clarendon Township was dropped and the expenses thereon written off as having no value:

Option payment made	\$5,000.00
Exploration	2,076.87
Travel, etc.	193.07
	<u>\$7,269.94</u>

AUDITORS' REPORT

To the Shareholders
Windfall Oils & Mines Limited:

We have examined the balance sheet of Windfall Oils & Mines Limited as at 31st. December, 1969, the statement of exploration, development, and administrative expenditure, and the statement of source and application of funds for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet, the statement of exploration, development, and administrative expenditure, and the statement of source and application of funds present fairly the financial position of the company as at 31st. December, 1969, and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

HILL, MURRAY & CO.,
Chartered Accountants.

Hamilton, Ontario.
2nd. February, 1970.

WINDFALL OILS & MINES LIMITED

Annual Meeting
March 20, 1970

INFORMATION CIRCULAR as at February 20, 1970

SOLICITATION OF PROXIES

This information circular is furnished in connection with the solicitation by the management of Windfall Oils & Mines Limited ("the Company") of proxies to be used at the Annual Meeting of Shareholders of the Company to be held at the time and place and for the purposes set forth in the accompanying notice of meeting. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by regular personnel of the Company at nominal cost. The cost of solicitation by management will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying form of proxy are directors and/or officers of the Company. **A shareholder desiring to appoint some other person to attend and act for him and on his behalf at the meeting may do so** either by inserting such other person's name in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, delivering the completed proxy to the Company.

A shareholder who has given a proxy may revoke it either (a) by signing a proxy bearing a later date and delivering it to the Company, or (b) as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy, by signing written notice of revocation and delivering it to the Company or the Chairman of the meeting or (c) attending at the meeting and orally revoking such proxy.

Where a proxy is signed by a corporation, its corporate seal must be affixed.

EXERCISE OF DISCRETION BY PROXIES

The shares represented by the proxy will be voted and, where the person whose proxy is solicited specifies a choice with respect to any matter to be acted upon, the shares shall, subject to section 75f of The Corporations Act, be voted in accordance with the specifications so made. In the absence of such specifications, such shares will be voted in favour of:

- (a) the approval of the 1969 Annual Report which includes the Report of the Directors, the Financial Statements for the period ended December 31, 1969 and the Auditors' Report;
- (b) the election as directors of the nominees described below;
- (c) the appointment as auditors of Hill, Murray & Co. with authority to the directors to fix their remuneration;

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting, and with respect to other matters which may properly come before the meeting and any adjournment thereof. At the time of printing this Circular the management of the Company knows of no such amendments, variations or other matters to come before the meeting other than the matters referred to in the notice of meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

On the date hereof the Company had outstanding 3,800,000 shares with par value of \$1.00 each and each carrying the right to one vote per share. According to copies of insider reports furnished the Company, the following indicates persons or companies beneficially owning directly or indirectly shares carrying more than 10% of the voting rights attached to all issued shares of the Company: V. R. MacMillan is the owner of 418,500 shares of the Company, 801,498 of the 1,311,455 shares of Golden Shaft Mines Limited, a public company, which owns 326,931 shares of the Company and all but 1,000 of the 30,000 shares of Variometer Surveys Limited, a public company, which owns 307,553 shares of the Company.

Shareholders of record at the time of the meeting will be entitled to attend and vote at the meeting. The recorded addresses of shareholders are indicated on the printed Proxy furnished with the Notice of Meeting. Shareholders are urged to see that the Company or the Transfer Agent, Canada Permanent Trust Company, 1901 Yonge Street, Toronto, has their current addresses.

ELECTION OF DIRECTORS

The board consists of five directors to be elected annually. The persons named in the enclosed form of proxy intend to vote for the election of the nominees whose names are set forth below, all of whom, are now members of the board of directors and have been since the dates indicated. The management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each director elected will hold office until the next Annual Meeting or until his successor is duly elected unless his office is earlier vacated in accordance with the by-laws.

The following table states the names of all the persons proposed to be nominated for election as directors, all other positions and offices with the Company now held by them, their principal occupations and number of shares of the Company beneficially owned directly or indirectly by each of them as of the date hereof.

<u>Name and Address</u>	<u>Principal Occupation during past 5 years</u>	<u>Shares</u>	<u>Became Director</u>
G. A. MacMillan 303 Oriole Parkway, Toronto, Ontario. (President)	Prospector	113,600 direct*	1961
W. H. Turney, Val Gagne, Ontario. (Vice-President)	Prospector	3,000 direct	1966
W. F. Farrow Apt. 206, 7 Helena Street, Port Credit, Ontario.	Retired	0	1966
F. Blair 287 Davisville Ave., Toronto, Ontario. (Treasurer)	Accountant	11,000 direct**	1966
A. G. MacMillan 23 Royaleigh Ave., Weston, Ontario.	Salesman	0	1968

*Mr. MacMillan also owns 100,000 shares of Golden Shaft Mines Limited above mentioned and shares owned or controlled by V. R. MacMillan, wife of Mr. MacMillan, are indicated above.

**held in joint ownership with husband, Thomas Blair.

The information with respect to directors and shares beneficially owned by them not being within the knowledge of the Company has been furnished by the respective directors individually.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

No remuneration other than a nominal fee per meeting attended was paid or is payable by the Company to the directors and senior officers of the Company as such for the fiscal year ended December 31, 1969, or is proposed to be paid. G. A. MacMillan when in the field receives \$25.00 per day. A total of \$285.00 was claimed and paid in 1969. The legal firm of Strathy, Archibald, Seagram & Cole of which T. F. C. Cole, Secretary, is a member, received payment for professional services as counsel to the Company.

APPOINTMENT OF AUDITORS

The persons named in the enclosed form of proxy intend to vote for the re-appointment of Hill, Murray & Co., Chartered Accountants, Hamilton, Ontario, as auditors of the Company, to hold office until the next Annual Meeting of Shareholders, Hill, Murray & Co. have been auditors of the Company for more than five years.



WINDFALL OILS & MINES LIMITED
13th Floor, 25 Adelaide Street West
Toronto

INTERIM REPORT TO SHAREHOLDERS

TO THE SHAREHOLDERS

With this letter is the interim financial statement required by statute with respect to the six months ended June 30, 1969, and comparative figures for the similar period in the year preceding.

During the first half of 1969, your Company has taken options on and acquired by staking an aggregate of seventy-one unpatented mining claims in Clarendon Township, Frontenac County, Ontario.

In the exploration of these claims, as uranium prospects, there is completed a Scintillometer Reconnaissance Survey and Prospecting by Cana Exploration Consultants Limited.

It is expected that during the second half of the year, further surface prospecting of these claims will be carried out.

Respectfully submitted

on behalf of the Board,

George A. MacMillan,

President.

Toronto, Ontario
July 25, 1969

WINDFALL OILS & MINES LIMITED

13th Floor, 25 Adelaide Street West

Toronto

INTERIM REPORT TO SHAREHOLDERS

TO THE SHAREHOLDERS

With this letter is the interim financial statement required by statute with respect to the six months ended June 30, 1969, and comparative figures for the similar period in the year preceding.

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It is expected that during the second half of the year, further surface prospecting of these claims will be carried out.

Respectfully submitted,

on behalf of the Board,

George A. Macmillan,

President.

Toronto, Ontario
July 22, 1969

WINDFALL OILS & MINES LIMITED

Unaudited Statement of Exploration, Development
and Administrative Expenditures for the Six Months
ended 30th June 1969, with comparative figures for
the six months ended 30th June 1968.

	<u>1969</u>	<u>1968</u>
General Exploration and Development:		
Acreage Taxes	441.35	130.17
Field Expense	<u>437.70</u>	<u>263.99</u>
	<u>879.05</u>	<u>394.16</u>
Administrative:		
Corporate Expense	1,731.10	1,185.02
Legal Fees	5,554.40	79.45
Directors' Fees	350.00	325.00
Head Office	<u>1,313.40</u>	<u>1,377.82</u>
	<u>8,948.90</u>	<u>2,967.29</u>
Interest Received	<u>3,387.70</u>	<u>4,129.33</u>
	<u>5,561.20</u>	<u>(1,162.04)</u>
Exploration and Development of Properties in Townships of Wark and Prosser, District of Cochrane, Ontario;:		
Drilling		5,320.00
Geological and Engineering	600.00	1,000.00
General	<u>885.27</u>	<u>913.42</u>
	<u>1,485.27</u>	<u>7,233.42</u>
Exploration and Development of Properties in Clarendon Township, Ontario		
Option Payment on 41 claims	5,000.00	
Costs of staking etc. 30 claims	2,345.00	
Exploration Expense	1,681.68	
Travel	<u>37.00</u>	
	<u>9,063.68</u>	<u>Nil</u>
Total Net Expenditures for the Six Months	<u><u>16,989.20</u></u>	<u><u>6,465.54</u></u>

The only funds received by the Company during the periods were for amounts of interest earned shown as deducted from administrative expenditures.

During the six months under review the Company optioned 41 claims in Clarendon Township, Ontario for \$5,000.00 cash and a further \$5,000.00 in April 1970 should the option be exercised.

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WINDFALL OILS & MINES LIMITED

Thirteenth Floor, 25 Adelaide Street West
TORONTO 105, ONTARIO

NOTICE TO SHAREHOLDERS

PLEASE TAKE NOTICE that the Annual Meeting of Shareholders of Windfall Oils & Mines Limited will be held in Room 8, 11th Floor, Board of Trade Building, 11 Adelaide Street West, Toronto, Ontario, on Friday the 20th day of March, 1970 at the hour of 10:00 o'clock in the forenoon, Toronto Time, for the following purposes:

1. To consider and if deemed advisable, adopt the Annual Report for the year ended December 31, 1969, consisting of the report of the Directors, the Balance Sheet as at December 31, 1969 with the Auditors' Report thereon and Statement of Exploration, Development and Administrative Expenditure for the period.
2. To elect directors for the ensuing year.
3. To appoint auditors for the ensuing year and authorize the directors to settle their remuneration.
4. To transact all such other business as may properly come before the meeting.

A copy of the Annual Report accompanies this notice.

If you are unable to be present, you are entitled to be represented at the meeting by proxy and for your convenience a form of proxy accompanies this notice and should be duly completed, signed, folded, sealed and returned.

DATED at Toronto, Ontario this 27th day of February, 1970.

By Order of the Board,

T. F. C. COLE,
Secretary.

WHEN RETURNING PROXY PLEASE DETACH HERE — DATE, SIGN AND FOLD — SEAL AND MAIL

FOLD HERE

WINDFALL OILS & MINES LIMITED

Thirteenth Floor

25 Adelaide Street West

TORONTO 105, CANADA

FOLD HERE

WINDFALL OILS & MINES LIMITED

Thirteenth Floor, 25 Adelaide Street West
TORONTO 105, ONTARIO

PROXY SOLICITED BY MANAGEMENT FOR THE ANNUAL MEETING OF SHAREHOLDERS

The undersigned hereby appoints.....

of.....failing whom G. A. MacMillan, President,
failing whom W. H. Turney, Vice-President, failing whom T. F. C. Cole, Secretary,
as proxy of the undersigned, with power of substitution, to attend and act for the
undersigned and on behalf of the undersigned at the Annual Meeting of the
Shareholders of Windfall Oils & Mines Limited to be held on the 20th day of
March, 1970, and any adjournment thereof, and to vote the shares registered
in the name of the undersigned as follows:

- (a) **IN FAVOUR OF** ☐ **or AGAINST** ☐ (or if no specification is made, in favour of)
approval of the 1969 Annual Report which includes the report of the Directors,
the Financial Statements for the period ended December 31, 1969 and the
Auditors' Report;
- (b) in favour of the election as directors of those designated in the Information
Circular;
- (c) in favour of the appointment of Hill, Murray & Co. as auditors and authorizing
the directors to fix their remuneration;
- (d) in his discretion on any amendment or variations to matters identified in the
notice of the meeting; and
- (e) in his discretion on any other matters which may properly come before the
meeting and any adjournment thereof.

The undersigned hereby revokes any proxy previously given.

DATED this.....day of March, 1970.

No. of shares owned.....

Signature of Shareholder

Pitfield, MacKay, Ross & Company
Limited,
Box 185,
Toronto-Dominion Centre,
TORONTO, Ont.